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RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC

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DEPT FOR STAS, WHA/AND,/EPSC (Boyer, Bando, Corneille), EB/ESC/IEC (Izzo)  
DEPT FOR OES/STC (PBates), S/P (GManuel)  
TREASURY FOR J. LEVINE  
STATE PASS TO EXIM, OPIC, TDA  
DEPT OF ENERGY FOR S. LADISLAW  
USGS FOR J. WEAVER  
ENERGY INFORMATION ADMINISTRATION FOR CHARLES ESSER

E.O. 12958: N/A

TAGS: [OEXC](#) [OSCI](#) [EINV](#) [TSPL](#) [ETRD](#) [ECON](#) [PGOV](#) [SENV](#) [PE](#)  
SUBJECT: STAS VISIT: S&T RESEARCH GOALS AND CHALLENGES

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#### NATIONAL COUNCIL OF SCIENCE, TECHNOLOGY AND INNOVATION

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¶5. The delegation met with CONCYTEC, the GOP agency that promotes S&T innovation. CONCYTEC's long term plan for innovation that will coordinate with other strategic plans such as the National Competitiveness Plan, as well as Regional government, Social Development and Environmental sustainability plans. The plan was begun under the Toledo administration (2000-2005), but as amended, aligns with President Garcia's development priorities for both the poor and the nation's most promising export sectors: forestry, biodiversity (medicines, biofuels), textiles, Alpaca wool production, aquaculture (shrimp in the north, trout in the south), mining and agriculture.

¶6. CONCYTEC representatives explained how Peru would use a \$36 million Interamerican Development Bank (IDB) loan package to the GOP for S&T development. The loan is designed to offset the current disincentive for investments in technological innovation; it will leverage private sector funding for innovation in textiles, agriculture and fishing/fish farming. At least \$18 million of the IDB loan will be disbursed as matching grants for technological research by universities or research institutions. The rest will be used as loans to private firms or local governments to for

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technological innovation. A multi-sector executive council will direct the program, with a CONCYTEC official as president.

#### MEETING AT NATIONAL AGRARIAN UNIVERSITY (UNALM)

¶7. UNALM contacts included Dr. Igancio Lombardi, the delegated Scientific Authority for the mahogany listing under the Convention Against Trafficking in Endangered Species (CITES). UNALM researchers were enthusiastic about President Garcia's emphasis on developing efficient crops for the impoverished mountain and jungle residents. Researchers in crop science for Peru's diverse environments -- arid coast, high mountains and soil-poor jungle -- were optimistic about future innovations in agricultural productivity but concerned about lack of research funding. Silva culturists are researching forest plantations and some of the fast-growing trees and other plants that hold promise for biofuels and wood products.

#### FUNDING FOR MAHOGANY RESEARCH?

¶8. UNALM hosts complained of few opportunities to work with the U.S. universities they held in high esteem. Dr. Lombardi noted that

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his inventory of mahogany, as well as species such as cedar that are also threatened by overlogging, could use more funding and U.S. assistance. Dr. Lombardi emphasized deforestation as an important problem, as well as the lack of adequately incorporating economic valuation of forests and needs of local communities in forest management. He noted that President Garcia's government is focusing on reforestation in mountain habitats, envisioning his "Highland Exporter" program as a way to promote export of mountain livestock and crops. The scientists agreed on the need to find alternatives to the coca production which is causing deforestation and pollution.

#### NATIONAL GEOGRAPHIC INSTITUTE

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¶9. Embassy's U.S. National Geospatial Agency (NGA) representative hosted Geographer Schwartz and others for a visit to Peru's National Institute of Geography. The director agreed to explore the delegation's suggestion that the Institute work with CONCYTEC and UNI to coordinate mapping tools for development priorities such as aquaculture and watershed management, using the IDB loan. The director lauded NGA's support for many years for mapping technology. Although the Institute is not at the cutting edge of mapping and imagery analysis, with NGA help it has a great deal of untapped

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potential, and some comparative advantages that could be used to integrate its geospatial research and production capacity with S&T development in Peru, especially bio-resources, aquaculture, hydrology, forestry and sustainable development. (Comment: In that sense, the Institute is fairly unique among South American institutions in its relationship with NGA. End Comment.)

#### MEETING WITH DCM

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¶10. STAS Atkinson and Science Fellow Samulski described the Jefferson Science Fellows Program to the DCM, emphasizing the potential for Fellows to spend time at an embassy working on a predetermined project. The DCM was receptive, noting that Embassy Lima often has finite, well-defined technical/engineering-oriented project needs that a practicing scientist could readily move along.

#### COMMENT

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¶11. The delegation found well-trained Peruvian scientists and engineers who hunger for more interaction with the U.S. organizations they admire so much. Most of the representatives we talked with were relatively unaware of Mission-supported programs

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such as Fulbright, IVP, TDA and FAS programs. ESTHoff is following up with PAS to forward packets of materials to each of the institutions with whom we met. The time is ripe for USG cooperation in water research, for example to improve production of agricultural products, many of which are exported to the U.S. With a steady increase in U.S. investment in mining and hydrocarbons, improving engineering education would benefit both nations. USAID, FAS, FCS and ESTHoff will work with CONCYTEC and the universities with whom we met to explore areas for future cooperation, and how the Environmental Cooperation Agreement that would accompany the Peru Trade Promotion Act could be used to foster S&T cooperation. As a result of the recent Forest Transparency Workshop held in Lima, OES is organizing a voluntary visitor program for foresters to visit Yale University and other centers of U.S. forestry excellence. Post will also explore how a Jefferson Science Fellow and/or AAAS Fellow could help advance mutual interests.

¶14. This cable was cleared with the STAS delegation.

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